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Folio:

THE MAGAZINE FOR MAGAZINE MANAGEMENT

SPECIAL SECTION: TYPESETTING EQUIPMENT—THE STATE OF THE ART

1981 FOLIO TYPESETTING SURVEY

THE IN-HOUSE COMPUTER: A PUBLISHERS' PRIMER

DESIGNER JAN WHITE TAKES A FRESH NEW LOOK AT

JUNE 1981 VOL. 10 NO. 6

Folio:

THE MAGAZINE FOR MAGAZINE MANAGEMENT

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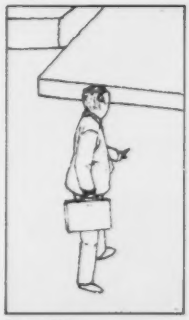

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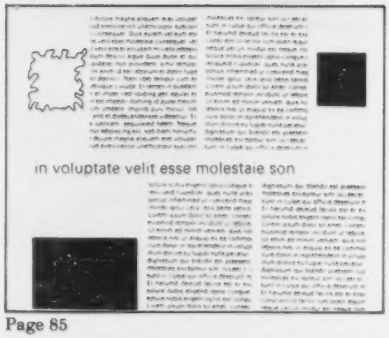

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Circulation

Subs down for 31% of ABC magazines in 1980's second half

Schaumburg, Ill.—Thirty-one percent of consumer magazines reporting to the Audit Bureau of Circulations (ABC) showed losses in subscription circulation during the second half of 1980, according to ABC's *Fas-Fax Report* for that period. In comparison, 26 percent showed subscription declines in the second half of 1979.

But the losses, though numerous, were generally small to moderate in size. Only one magazine, for example, showed a larger than 50-percent decrease (*Hi-Fi/Stereo Buyers' Guide*, -58.40 percent), and only one magazine had a decline in the 40-percent to 50-percent range (*Heavy Metal*, -42.02 percent).

Other magazines whose subscription circulation losses were among the largest recorded include *Athletic Journal* (-38.41 percent), *Tiger Beat Star* (-38.22 percent), *Tiger Beat* (-35.87 percent), *Tiger Beat Star Super Special* (-33.90 percent), and *Off-Road* (-30.47 percent). Most other percentage losses were below 15 percent.

In contrast, there were many very large gains among the majority of magazines that had increases in subscription circulation. At least nine magazines had subscription increases of 50 percent or more: *Milwaukee*, 50.80; *St. Louis Magazine*, 51.96; *Rona Barrett's Daytimers*, 53.14; *Working Mother*, 58.69; *Gallery*, 59.02; *Us*, 68.71; *American Demographics*, 69.37; *Dirt Bike*, 73.99; and *Indianapolis at Home*, 81.25. *Solar Age*, with an impressive 163.18 percent gain, outshone them all.

Several women's magazines (in addition to *Working Mother*), showed subscription gains, and some of the gains were substantial: *Seventeen* (37.00 percent); *Working Woman* (26.63 percent); *Mademoiselle* (14.29 percent); *Woman's Day* (9.27 percent); *Harper's Bazaar* (7.99 percent); *Redbook* (4.63 percent); *Ladies' Home Journal* (4.50 percent); *Self* (2.78 percent); and *Good Housekeeping* (0.22 percent). For *Seventeen*, *Working Woman*, *Redbook* and *Ladies' Home Journal*, the subscription gains compensated for single-copy losses, resulting in increases in overall circulation for the period for those magazines. (*See second-half analysis in Single-Copy Sales Update section in this issue.*)

Subscription declines of less

(Continued on page 46)

Top 10 magazines by subscription circulation in second half of 1980*

	Number of subscriptions		percent increase/ decrease
	2nd half '80	2nd half '79	
1. *Reader's Digest*	16,764,806	16,544,824	1.33
2. *National Geographic*	10,706,403	10,410,479	2.84
3. *Better Homes and Gardens*	7,341,210	7,351,026	-0.13
4. *TV Guide (U.S.)*	6,772,677	7,439,561	-8.96
5. *McCall's*	5,448,463	5,703,322	-4.47
6. *Ladies' Home Journal*	4,635,783	4,436,062	4.50
7. *Time*	4,072,468	3,999,725	1.82
8. *Redbook*	3,516,403	3,360,857	4.63
9. *Good Housekeeping*	3,405,129	3,397,788	0.22
10. *Newsweek*	2,715,641	2,713,994	0.06

*Source: Audit Bureau of Circulations *Fas-Fax Report*, December 31, 1980

Top 10 magazines by total paid circulation, second half 1980*

	Total circulation		percent increase/ decrease
	2nd half '80	2nd half '79	
1. *TV Guide (U.S.)*	17,981,657	19,043,358	-5.58
2. *National Geographic*	10,711,886	10,413,639	2.86
3. *Better Homes and Gardens*	8,052,693	8,097,651	-0.56
4. *Woman's Day*	7,748,069	7,560,329	2.48
5. *Family Circle*	7,529,734	7,753,604	-2.89
6. *McCall's*	6,218,169	6,526,745	-4.73
7. *Ladies' Home Journal*	5,601,449	5,502,149	1.80
8. *Good Housekeeping*	5,290,833	5,271,172	0.37
9. *National Enquirer*	5,135,799	5,024,180	2.22
10. *Time*	4,358,911	4,272,888	2.01

*Source: Audit Bureau of Circulations *Fas-Fax Report*, December 31, 1980

Meeting 50% request requirement a problem for some magazines

New York City—Among magazines affected by the Postal Service's new 50-percent request requirement (formerly controlled magazines being merged into second class), some are anticipating few problems in meeting the requirement, but others—particularly medical journals— are very concerned.

Under the merger of the controlled mailing class into second class, which took effect in March with the new postal rates, formerly controlled magazines with primarily nonpaid circulations are now in second class Alternative II, a new subclass. Alternative II publications pay the same rates (with the exception of copies mailed in-county) as Alternative I publications—those that have primarily paid circulations and also

Single-copy sales

1980's second half: no signs of end to single-copy slump

Schaumburg, Ill.—The second half of 1980 saw no break in the single-copy sales doldrums that has beset the industry for a full year.

Of the 348 consumer magazines that supplied data for the Audit Bureau of Circulations' *Fas-Fax Report* for the period ending December 31, 1980, 137 (or 39 percent) showed declines in single-copy unit sales from their totals for the same period in 1979. Nearly the same percentage (41 percent) showed single-copy sales declines in 1979's second half as compared with 1978's second half.

Most magazines in the shelter category showed single-copy losses: *1,001 Decorating Ideas* (-30.84 percent), *Apartment Life* (-19.57 percent), *Southern Living* (-8.73 percent), *House Beautiful* (-7.38 percent), *Sunset* (-6.11 percent), *Better Homes and Gardens* (-4.71 percent). Gains were made by *House & Garden* (3.37 percent) and *Colonial Homes* (0.95 percent).

Several general interest magazines lost single-copy circulation. These include *Saturday Evening Post* (-29.82 percent), *Life* (-21.42 percent), *Reader's Digest* (-15.63 percent), and *TV Guide* (U.S.) (-3.40 percent). Those with increases include *Us* (18.29 percent), *People Weekly* (8.87 percent), and *Saturday Review* (7.76 percent).

Losses were recorded by two major science magazines: *Scientific American* (-9.52 percent) and *Omni* (-5.52 percent). *Popular Science* had a gain of 3.92 percent.

Teen magazines continued to show poor performances: *Tiger Beat Star* (-36.03 percent), *Teen Machine* (-25.77 percent), *Tiger Beat Star Super Special* (-16.72 percent), *Tiger Beat* (-15.62 percent), and *'Teen* (-0.12 percent). *Super Teen*, however, gained by 8.42 percent.

The extent of the automotive magazine single-copy sales slump: *Pickup, Van & 4WD* (-27.66 percent), *Four Wheeler* (-17.69 percent), *Road & Track* (-6.13 percent), *Petersen Action Group* (-3.62 percent), *Car Craft* (-0.53 percent), *Popular Hot Rodding* (-0.02 percent). Gains were achieved by *Super Stock & Drag Illustrated* (15.54 percent), *Street Rodder* (14.55 percent), *Car and Driver* (2.35 percent), and *Stock Car Racing* (1.54 percent).

City magazines turned in mixed performances. Gains made by *Phoenix Magazine* (73.17 percent), *Connecticut Magazine* (28.04 percent), *New York Magazine* (24.22 percent), *The Washingtonian* (23.15 percent), *Texas Monthly* (12.89 percent), and *Boston Magazine* (9.86 percent) were offset by losses experi-

(Continued on page 19)

Top 10 magazines by single-copy circulation in second half of 1980*

	Number of copies sold		percent increase/ decrease
	2nd half '80	2nd half '79	
1. *TV Guide (U.S.)*	11,208,980	11,603,797	-3.40
2. *Woman's Day*	7,711,693	7,527,039	2.45
3. *Family Circle*	7,529,734	7,753,604	-2.89
4. *National Enquirer*	4,634,527	4,538,116	2.12
5. *Penthouse*	4,088,018	4,475,019	-8.65
6. *The Star*	3,375,595	3,173,358	6.37
7. *Cosmopolitan*	2,740,335	2,648,543	3.47
8. *People Weekly*	2,050,136	1,883,095	8.87
9. *Good Housekeeping*	1,885,704	1,873,384	0.66
10. *Globe*	1,761,121	1,507,708	16.81

*Source: Audit Bureau of Circulations *Fas-Fax Report*, December 31, 1980.

Distributor criticizes wholesalers' handling of smaller magazines

Hollywood, Fla.—Wholesalers who are trying to increase their efficiency by not distributing magazine copies they believe are part of excessive allotments are threatening the existence of special interest magazines—and their own businesses.

This was the message delivered to wholesalers by William Hall, vice president-director of Fawcett Marketing Services, CBS Publications, at the annual conference of the Atlantic Coast Independent Distributors Association.

Hall says that some wholesalers, angered by what they think are excessive allotments of special interest magazines, are trying to keep their operating costs down by refusing to distribute copies they think will result in a greater than 40-percent return rate, or less than 60-percent sale.

While stressing that it is a necessity for wholesalers to improve the efficiency of their operations, Hall maintains that trying to impose a 60 percent sale on all magazines by withholding some copies from distribution will undermine the single-copy sales industry, including wholesalers themselves.

Hall, who contends that allotments are planned as nearly as possible to maximum efficiency, says wholesalers who refuse to distribute some alloted copies may succeed in temporarily forcing the percentage of sale up, but will also reduce unit sales and thereby throw the magazine into a downward spiral.

To illustrate his point, Hall used an example of a magazine for which a total allotment of 300 copies is made to 100 retail outlets, so that the average retailer is drawing three copies and returning 1.5 copies—a 50-percent sale. "How can you regulate such fractions more efficiently?" he asks. "Do we distribute only 250 copies in order to get a 60-percent sale? Wrong. If we do, the most marginal retailers must be dropped from

the distribution plan, the sale declines to 137 units, and efficiency only improves to 55 percent for one issue—and then the cycle starts all over again."

By damaging sales of special interest magazines, wholesalers are threatening a major part of their own business for the future, Hall asserts. He points out that the decade of the 1980s has begun with declining sales of men's magazines—the wholesalers' mainstay—and "generally flat sales in most other categories," with the exception of the tabloids and personality-oriented magazines.

Hall agrees with wholesalers' contention that they are in a precarious economic situation, with their costs rising rapidly as unit sales simultaneously decline. But, he says, publishers' and national distributors' costs are also "ballooning." "So who's going to finance the new publications that are going to rescue your fortunes in the eighties?" he asked wholesalers. "Not the national distributors—not with the cost of money at 18 percent."

Nor, Hall says, can the magazine industry continue to expect to be able to "load all of these soaring costs onto the consumer by simply raising cover prices."

Therefore, Hall says, wholesalers will need special interest magazines more in the years to come. "You want only those titles that can be efficiently handled at a 60-percent sale level? Or even a 65-percent to 70-percent level, as some wholesalers are saying? Well, there are less than 100 of those titles, and they're the ones that don't need *you* very much," he warned. "If you're only going to handle the 20 percent that count for 80 percent of the sales volume, don't be surprised if the big retailers decide that they can handle distribution of those magazines themselves."

The best way to improve the efficiency of wholesalers' operations and of the entire single-copy industry, Hall contends, is to improve display of magazines, including special interest magazines.

Noting that greeting cards, which had virtually no supermarket space in 1970, now have twice the space magazines have in those supermarkets that carry both items, Hall said, "We must all become marketers, not merely warehousemen and fleet operators and distributors.

"You cannot gain enough efficiency in internal operations to survive if you don't protect sales—and margins are not going to increase enough to save you, because they cannot," he added.

Even special interest magazines can be regulated to achieve 60 percent or better sales, but only if wholesalers, national distributors and publishers cooperate to increase space and so allow for full-cover display of these and other magazines, Hall asserts. "Special interest magazines cannot achieve 60 percent sell-throughs in situations in which only 25 percent of a magazine's cover is shown," he says.

Overseas single-copy sales total $30 million

New York City—Single-copy sales of U.S. magazines overseas annually total more than $30 million, according to figures released by Boarts International, Inc., a distributor of American publications overseas.

The report projects annual overseas sales in U.S. dollars based on Audit Bureau of Circulations' (ABC) figures for the period ending June 30, 1980.

The "men's general" magazine category recorded by far the highest total single-copy sales volume overseas: $23.3 million. The leader in this group was *Penthouse*, with $9.6 million in sales (including sales of 91,000 back issues). Next was *Playboy* ($7.7 million), followed by *Oui* ($1.9 million).

Science magazines achieved the second highest single-copy sales volume, with a total of $2.9 million. The leader was *Omni* ($1.6 million), followed by *Scientific American* ($1.1 million).

Other large-volume categories included "general interest," with a total of $2.8 million (led by *Life*, with $1.2 million); "young women's," with a total of $2.7 million (led by *Playgirl*, with $984,695); "automotive," with a total of $2.4 million (led by *Hot Rod*, with $560,628); "cycling," with a total of $2.4 million (led by *Easyriders*, with $958,650); and "women's general," with a total of $2.0 million (led by *Woman's Day*, with $548,744).

Total projected annual sales dollars for reporting magazines is $29,599,647. This total does not include sales figures for 11 magazines that did not file with ABC in time for the first-half report: *Book Digest Magazine, Campus Life, Creem, Cycle Guide, Exploring, The Family Handyman, Four Wheeler Custom Bike, High Times, L'Officiel USA, Motorboat,* and *New Republic*. Nor does it include foreign editions of *Newsweek* and *Time*.

'Sophisticates' making gains in supermarkets

New York City—"Men's sophisticate" magazines, long shunned by supermarkets because of retailers' fear of offending customers, are beginning to make inroads into these important magazine outlets—but slowly, according to *Chain Store Age Supermarkets (CSAS)*.

The major sophisticates are working their way into supermarkets via concentrated marketing programs designed to convince retailers that placement of magazines *will* be based on each store's demographics—that the magazines will not, for example, be tested in a supermarket located across the street from a church, noted *CSAS*.

At least three supermarket chains are now carrying sophisticates as a result of such marketing efforts, according to *CSAS*. *Playboy* and *Penthouse* are carried in 235 Albertson's supermarkets and in about 60 stores in Safeway's Phoenix division; *Playboy* and *Forum* are carried in about 40 Mayfair Supermarkets. Display methods vary: Albertson's places the magazines behind counters with "blinders"; Safeway displays

Top 10 magazines in annual foreign sales in dollars*

	% foreign to U.S. circulation	Annual foreign sales ($)
1. *Penthouse*	8.7	9,552,630**
2. *Playboy*	7.1	7,721,340
3. *Oui*	10.5	1,936,140
4. *Omni*	12.5	1,625,448
5. *Life*	10.9	1,227,834
6. *Scientific American*	47.7	1,065,432
7. *Gallery*	7.1	1,058,373
8. *Architectural Digest*	31.0	1,032,990
9. *Playgirl*	8.1	984,695
10. *Easyriders*	11.8	958,650

*Source: *Boarts' Report of Overseas Sales of American Magazines*, December, 1980.
**Includes 90,947 single-copy sales of back issues in Australia.

second U.S. magazine company recently acquired by Maclean-Hunter Limited. It acquired the American Communications Group of American Can, Greenwich, Connecticut, which published *Progressive Grocer* and *C-Store Business*, on January 1. The Communications Group also supplied marketing data to the supermarket industry and marketed home economic instructional materials.

Farm Building News

Farm Building News, a magazine for farm building and grain contractors, and *No-Till Farmer*, a newsletter for farmers interested in learning about reduced tillage systems, were purchased from Reiman Publications in March by Frank Lessiter, publisher and editor of both publications. Details of the sale were not disclosed. No staff changes are planned for either the monthly newsletter or the seven-times-a-year, 15,000 circulation *Farm Building News*. New offices for both publications are located at 260 Regency Court, Waukesha, Wis. 53186.

3 to Get Ready

3 to Get Ready, introduced last October as a fortnightly Sunday newspaper supplement for pre-teens and their parents by Media Three Publications, Inc., New York, ceased publication as a supplement on April 12, and will reappear as a monthly magazine in late June.

Morton S. Bailey Jr., former publisher of *the Dial* and *Better Homes and Gardens*, and now new publisher of *3 to Get Ready*, said the change came because "the newspaper supplement was too successful." The initial circulation of 650,000, he said, quickly jumped to seven million. The concomitant rise in ad rates pushed the cost of a full-page ad to approximately $50,000—beyond the price range of most advertisers.

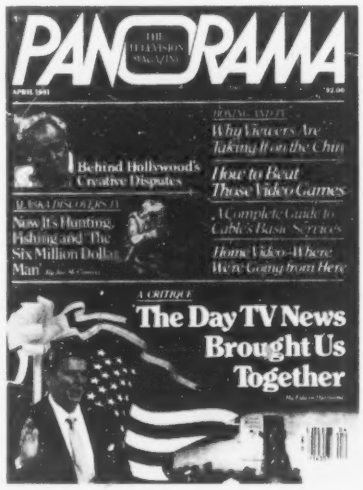
The new magazine will have an initial circulation of 200,000. Bailey said he wants to go no higher than 750,000. All editorial is in four-color. A subscription is $12.50. Newsstand distribution is planned for the future.

Frequency Changes

Working Mother

The McCall Publishing Company will increase the frequency of its *Working Mother* magazine from bimonthly to monthly in September. The magazine, introduced in 1978 for women combining career, marriage and motherhood, has a circulation of 300,000. It posted a 78-percent growth in ad pages from 1979 to 1980.

Ceased publication


PANORAMA
THE TELEVISION MAGAZINE
Why Viewers Are Taking It on the Chin
Behind Hollywood's Creative Disputes
How to Beat Those Video Games
Now It's Hunting, Fishing and The Six Million Dollar Man
A Complete Guide to Cable's Basic Services
Home Video—Where We're Going from Here
A CRITIQUE
The Day TV News Brought Us Together

Panorama folds due to lack of reader interest

New York City—Panorama, sister magazine to Triangle Communications, Inc.'s *TV Guide* and *Seventeen*, ceased publication this month due to a lack of consumer acceptance. The magazine covering "television today and tomorrow" was introduced in February 1980.

"It is evident that there is no need for *Panorama* as a consumer magazine," Walter H. Annenberg, president of Triangle, states frankly. "Circulation results proved beyond a doubt that few readers were interested in our editorial content."

A poor renewal rate, declining newsstand sales, and discouraging results from a recent test mailing for new subscribers were cited as reasons for the magazine's demise.

Panorama was introduced in 1980 with a rate base of 200,000 following a successful introductory test mailing, according to Triangle's editorial director, Merrill Panitt. Two months later, however, the rate base was cut in half to save money, as consumer acceptance lagged behind corporate expectations. Circulation advertising efforts on television, cable, radio and in other magazines failed. An editorial change of direction was also tried, but to no avail.

Despite the lack of reader interest, advertising acceptance of the magazine met Triangle's goals: First-year ad pages totaled roughly 300. That, however, was not enough to keep the magazine alive. "In publishing, it is the public that makes the final judgment," Annenberg said, "and the sensible course is to follow that judgment."

Subscriptions down

(Continued from page 10)

than 5 percent were posted by *Glamour* (-4.59 percent); *McCall's* (-4.47 percent), *Vogue* (-2.14 percent), and *Cosmopolitan* (-1.53 percent). With the exception of *McCall's*, these magazines had single-copy gains that overrode the subscription losses.

Among men's magazines, *Gentlemen's Quarterly* had a subscription loss (-8.36 percent), although a single-copy gain outweighed this. *Esquire* had a 6.61 percent subscription gain to complement its more than 30-percent single-copy sales gain.

Those "men's sophisticates" that filed in time for the ABC deadline showed subscription gains, with the exception of *Genesis* (-11.09 percent). The gainers were *Gallery* (59.02 percent), *Forum* (6.50 percent), *Penthouse* (2.58 percent), and *Club* (0.88 percent). But, with the exception of *Club*, these magazines had single-copy sales losses that outweighed subscription gains.

The newsweeklies showed small subscription gains: *Time*, up 1.82 percent; *U.S. News & World Report*, up 0.43 percent, and *Newsweek*, up 0.06 percent.

Many general interest magazines recorded gains in subscription circulation. *Us* was a leader, with a 68.71 percent increase, followed by *Life* (25.60 percent), *People Weekly* (17.96 percent), *National Geographic* (2.84 percent), and *Reader's Digest* (1.33 percent). But rather sizable subscription losses in the general interest group were experienced by *Saturday Evening Post* (-16.39 percent) and by the U.S. edition of *TV Guide* (-8.96 percent). *Saturday Review* showed a 1.70 percent subscription loss for the period.

Sports magazines had mixed subscription results. Gains were made by *Tennis* (9.86 percent), *Golf Digest* (4.60 percent), *Golf* (2.77 percent) and *Sport* (0.79 percent). Small losses were experienced by *Ski* (-2.17 percent), *Skiing Magazine* (-0.59 percent), and *Sports Illustrated* (-0.23 percent).

In this survey of 231 magazine publishers, FOLIO examines the advantages and the problems of setting type in-house and outside.

Folio Typesetting Survey 1981

By Barbara Love
Executive Editor

Over half the publishers responding to FOLIO's first survey on typesetting report that in-house typesetting—an infant technology in 1970—is now an integral part of the way they produce a magazine.

Two hundred thirty-one publishers—each reporting for one magazine—participated in the survey, which was conducted this spring.

The median amount budgeted for typesetting in 1981 by respondents is $20,000.

An average of 1.7 people were added to the production staff to implement the decision to set type in-house. Magazines added as few as one-half person and as many as 10 people when they made the change. The majority (58 percent) added one person.

70 percent buy equipment

Of those magazines with in-house typesetting, 30 percent are leasing the equipment and 70 percent are buying it.

One publisher/editor said that "unfortunately" he is in a lease/purchase arrangement. "The progress in electronic phototypesetting is such that when our lease/purchase (five years) is over, the equipment will be outdated," he added.

When asked if in-house typesetting is saving the magazine money, or if they expect it to save money, 87 percent said "yes" and 13 percent said "no."

Most magazines with in-house typesetting (73 percent) do not operate the typesetting operation as a profit center.

Thirty-five percent of magazines with in-house typesetting are taking outside clients.

When asked what department is responsible for the typesetting operation, 79 percent said production, 14 percent editorial, and 7 percent said other (composition, art, general administration or management).

The majority of magazines with in-house typesetting (59 percent) did not hire trained operators to run the equipment. Seventy-two percent trained the operators themselves.

Every publisher (100 percent) says that in-house typesetting saves on turnaround time. The average turnaround time for copy is 11.5 hours for the first turnaround and 8.6 hours for the second turnaround. The worst turnaround time for first-time copy reported is 72 hours; the best, 10 minutes. For second turnaround, the worst time mentioned is 48 hours; the best, 10 minutes.

44 hours of down-time

When asked how much downtime they estimate they have each year with in-house typesetting, the median response was 44 hours.

Almost half (48 percent) of the respondents characterize the maintenance service they get for their in-house equipment as "good." Twenty-eight percent said the service is "excellent"; 17 percent, "fair"; 6 percent, "poor"; and 2 percent, "very poor."

Publishers indicated that in-house typesetting benefits in reduced turnaround time, reduced cost, and greater control are all of about equal importance. Seventy-five percent say reduced turnaround time is "very important"; 24 percent, "somewhat important"; and 4 percent, "not important." Seventy-five percent say reduced cost is "very important"; 25 percent, "somewhat important." Eighty percent say greater control is "very important"; 20 percent say it's "somewhat important."

Thirty-seven percent of respondents say they plan to buy additional typesetting equipment in the next 12 months.

52 percent pay by the page

Of those magazines that use an outside supplier for typesetting, 52 percent pay by the magazine page, 30 percent by the inch, 9 percent by the hour, and 9 percent by some other unit (per line, per package, or per codings).

Magazines pay an average of $38.01 per magazine page for typesetting. By the inch, magazines pay an average of $1.30; by the hour, an average of $24.83.

For magazines in the survey, authors' alterations (AAs) represent an average of 13 percent of the total typesetting costs.

Turnaround time for copy with outside suppliers is greater than it is with in-house typesetting, according to respondents in this survey. The average time for first turnaround with outside suppliers is 57 hours (compared with 11.5 hours in-house) and for second turnaround 36 hours (compared with 8.6 hours in-house).

When asked what is the major

benefit of using an outside typesetter, magazine publishers gave the following answers: no equipment on premises, no mechanical problems, no fixed cost, no need to employ salaried help, cheaper going in, flexibility, no internal overhead, no downtime, no hassle, access to complex math and foreign language symbols, convenience, space, and ability to demand quality and service.

One publisher noted: "Machine, personnel, supply problems are the typesetter's. We get all the benefits of equipment updates and capabilities without investment. We can match equipment to the job by using various typesetters. We can 'switch horses' at any time for an individual job or for the entire magazine."

34 percent have contract

About one-third of respondents (34 percent) say they have a contract with their outside supplier. Of those that do have a contract with their outside supplier for typesetting, almost half (46 percent) said they would seriously negotiate with another typesetter before renewing the contract.

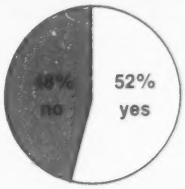
Some publishers who are using outside suppliers for typesetting today say they plan to move to in-house typesetting in the future. Some of these same people stated earlier in the questionnaire that "there are no major benefits to using an outside supplier."

Of the publishers who say they are currently using outside suppliers, 40 percent say they will move to in-house typesetting operations in the next five years. Of those who will make the change in the next five years, 34 percent say they'll make the change within the next year; 43 percent, within one to three years; and 23 percent, within three to five years.

When asked who will have the most influence on the decision to move to in-house typesetting, 54 percent of respondents said the publisher; 16 percent, production executive; 11 percent, the editor; 10 percent, by committee; and 9 percent, another executive.

When asked if they feel knowledgeable about the new technology in typesetting, 66 percent of the responding publishers said "yes."

The best source for information on typesetting equipment and developments, according to respondents, is the trade press. Forty-four percent of respondents named the trade press as the best source; 18 percent, trade shows, 18 percent, colleagues; 16 percent, suppliers' salespeople; and 4 percent, suppliers' direct mail.



Do you have in-house typesetting?

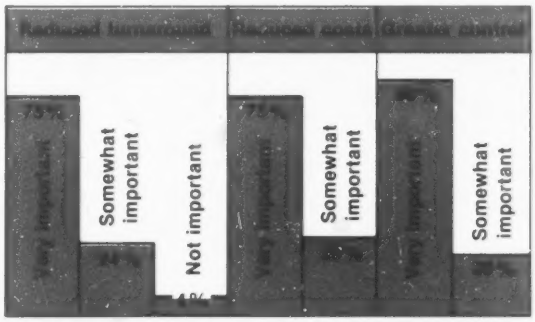
Are you leasing equipment or buying equipment?

Do you operate the typesetting operation as a profit center?

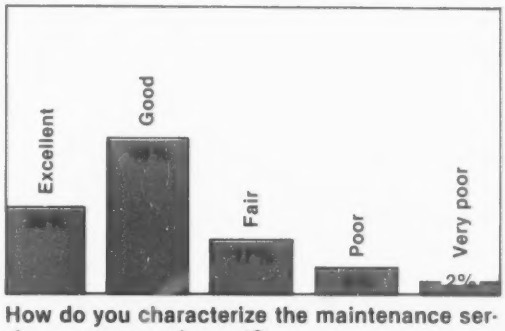
Is in-house typesetting saving you money or do you expect it will save you money?

Do you plan to buy additional typesetting equipment in the next 12 months?

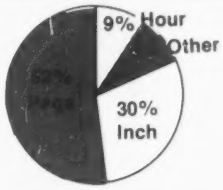
Did you hire trained operators to operate your typesetting equipment?



Evaluate the importance of in-house typesetting benefits.



How do you characterize the maintenance service on your equipment?



Do you pay for outside typesetting by the page, inch, or hour?

How much do you pay?

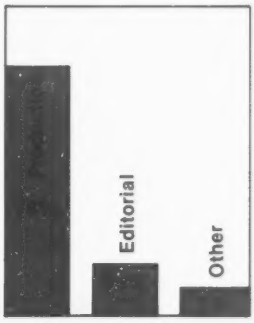
Per page: $38.01
Per inch: $1.38
Per hour: $24.83

Percent AA s of total typesetting costs.

Do you have a contract with an outside supplier?

Will you seriously negotiate with an outside typesetter before renewing your contract?

Do you feel knowledgeable about the new technology in typesetting?



What department is responsible for the typesetting operation?

How much turnaround time do you have?

In-house operations

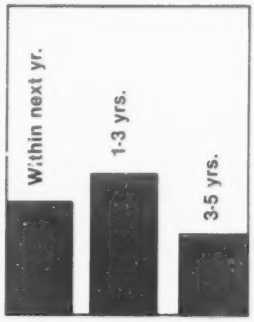
First turnaround: 11.5 hrs.

Second turnaround: 8.6 hrs.

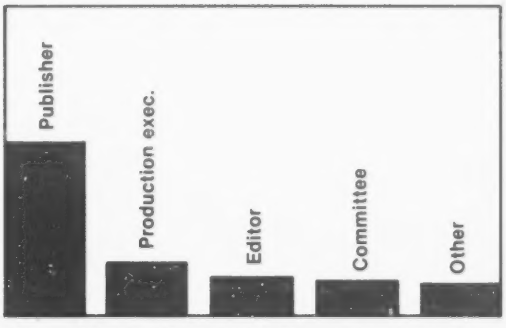
Outside suppliers

First turnaround: 57 hrs.

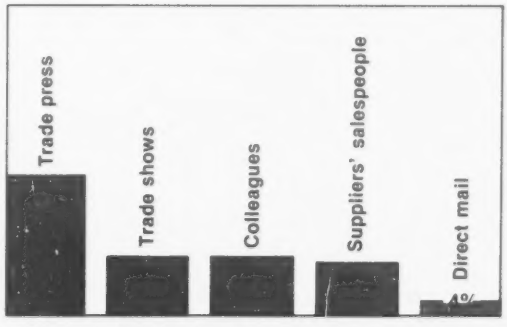
Second turnaround: 36 hrs.



Will you move to in-house typesetting within the next year, one to three years, three to five years? (Answered by those planning to change in next five years.)



Who will have the most influence in a decision to move to in-house typesetting?



What is the best source of information on typesetting equipment and developments?

NOTE

ONLY THE FOLLOWING PAGES OF THIS

PUBLICATION HAVE BEEN FILMED

Cover 1, p. 3, 32, 48, 50-

51, 80.